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INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
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RUEHBY/AMEMBASSY CANBERRA 7622
RUEHUL/AMEMBASSY SEOUL 3570
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RUEAIIA/CIA WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 04 BANGKOK 004733

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E.O. 12958: DECL: 08/28/2017

TAGS: PGOV PHUM PREL KDEM TH

SUBJECT: CHOOSING UP TEAMS: NEW POLITICAL PARTIES EMERGING

REF: BANGKOK 4214

Classified By: Ambassador Ralph L. Boyce, reason 1.4 (b) and (d).

¶11. (C) SUMMARY and INTRODUCTION: Now that the referendum is passed, Thailand's political class is preparing itself for the December elections. This message details the current estimates of the relative strength of the emerging parties, as well as looking at the electoral chances for established parties -- the Democrats and Chart Thai. A few, apparently small, new political parties have already registered, but many of the major players are still negotiating behind the scenes. Proto-parties are seeking to attract as many proven vote-getters as possible, and are also looking for party leaders with sufficient "gravitas" and access to financial support. The roster of potential party leaders (and therefore, prime ministers) is a veritable "who was who" of Thai politics, with old-timers like former PM GEN Chavalit Yongchayut hoping for a new lease on political life. As candidates do not have to be registered until 30 days before the election (expected to take place on December 23), it may be a while before the constellation of new political parties is clear.

¶12. (C) The dissolved Thai Rak Thai (TRT) party of former PM Thaksin has fragmented into three major groups and some smaller factions. Although the 111 leading members on the TRT executive committee were banned from political office or official party leadership positions for five years as a result of the dissolution, many are in unofficial leadership roles in the newly-emerging parties. The largest of these groups remains loyal to PM Thaksin and, under a new party banner, are viewed as the party to beat in the December elections. Two other factions have attracted a significant number of former TRT MPs and could be strong competitors, especially in the countryside. Former finance minister Somkid Jatusripitak is leading another, smaller faction, which may have support in Bangkok. Although foreign media have suggested Democrat Party leader Abhisit Vejjajiva is the front-runner for PM, by our count, the DP is unlikely to win enough seats to guarantee Abhisit the job. The balance of power in the new parliament may be held by several small and unpredictable parties, who could play a kingmaker role. Even though it is very early to be predicting the result of elections in December, the widely-held view that Thaksin loyalists may be the largest single party in the new parliament is making the military and many other Thaksin opponents very nervous. END SUMMARY AND INTRODUCTION.

BACKGROUND - STILL A FEUDAL SYSTEM

¶13. (C) Thai party politics traditionally follow an almost feudal model. Before the 1997 Constitution, political parties tended to be built around a charismatic (and prosperous) leader with a strong regional base. The leader provided funds or other support to help MPs in his fiefdom campaign, and the MPs offered him their loyalty, at least until a higher bidder came along. Particularly in the countryside, the power of incumbency is very strong. MPs attend the weddings and funerals in their district, provide tents or bands for local celebrations. Many MPs developed strong ties with their constituents that had virtually nothing to do with party's policies or its senior leadership, enabling them to switch parties if they got a better offer from a richer or more powerful party boss, or one who offered them better opportunities for advancement. As few parties had set policies, there were rarely ideological reasons for an MP to stick with one party boss if another one would make him a better deal. A quick look at the resume of many career MPs will show them jumping from party to party, all the while retaining their seats.

¶14. (C) Former PM Thaksin's Thai Rak Thai (TRT) built its impressive parliamentary majority in part through "mergers and acquisitions" of several parties with strong followings in the North and Northeast, such as Gen. Chavalit's New Aspiration Party and Suwat Liptapanlop's Chart Pattana. TRT had a platform and a very strong national leader, but it was still more of a coalition of factions than a unified party in many ways. Now that TRT has been banned, these factions have spun off in different directions, and are re-constituting themselves as independent parties. Other political groupings

BANGKOK 00004733 002 OF 004

are also angling to attract proven vote-getters looking for a new political home now that TRT is no more. There are accusations that MPs are asking 30 million baht (around USD 850,000) to sign on with a political party, while a "grade A" MP can demand 40 million baht (USG 1.2 million) -- although we caution that these figures are widely repeated without anyone yet providing evidence that these sums are changing hands.

MATCHIMA AND RUAM JAI THAI

¶15. (C) One important group to watch is the faction lead by former labor minister Somsak Thepsuthin, one of the banned TRT executive committee members. Somsak kept a low profile during the Thaksin administration, but he was generally viewed as controlling the second-largest faction in TRT (after Thaksin's group), with over 100 of the 377 TRT MPs viewed as "his" before the party was dissolved. His strength is in parts of the rural Northeast, the heartland of TRT support. He reportedly draws financial support from former TRT Transport minister Suriya Chungrungruangkit (also banned). Somsak is the force behind the political grouping Matchima ("Middle Way"). As noted, most former MPs have not yet committed to new parties, so all estimates of party strength are back-of-the-envelope calculations. The lowest figure we've seen for Matchima is around 80 former MPs, and the highest over a hundred. (This is an estimate of current support from former MPs, not a prediction of the number of performance in the December election.) It is widely presumed that Matchima will eventually form either a coalition or merge with several of the other proto-parties emerging, including Ruam Jai Thai.

¶16. (C) Ruam Jai Thai ("Thai Unity") is so far a mongrel, and the runt of the litter. It appears to be mainly a vehicle for former TRT finance minister Somkid Jatusripitak (also banned), who is an "advisor" to the group. Only a few other known politicians are so far associated with the group, and they are former Democrat Party MPs, who formed the splinter party Mahachon in 2004. This group is getting more attention

than its numbers seem to warrant; it may serve as a vehicle for other TRT intellectuals like Somkid.

¶7. (C) As one Matchima faction member told us, Matchima leader Somsak "is like a man who has a farm, and is looking for a farmer." In a merger between Matchima and Ruam Jai Thai, Matchima would provide a strong base of support in the northeast, while Ruam Jai Thai "intellectuals" could appeal to Bangkok. This could be a reasonably successful party, depending on how they solve the problem of choosing a leader.

Although there have been several announcements in the press that the merger is imminent or has happened, these appear to be premature. We have heard that one obstacle is that Somsak, who cannot have a role in the party's executive leadership due to his five-year ban, wants his wife to be Secretary-General of the merged party, a condition that may

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not fly with Ruam Jai Thai.

SAMANACHAN (RECONCILIATION)

¶8. (C) The Samanachan faction also represents a strong contender for some of the approximately 135 constituency parliament seats in the northeast ("Isaan") region. Samanachan is led by former TRT Health Minister Phinij Jarusombat (banned), former TRT DPM Suwat Liptapanlop (banned), and former TRT Information Minister Suwit Khunkitti (who left TRT before the election irregularities occurred, and so is not banned). They reportedly have between 30 - 80 former MPs loyal to them. They are also expected eventually to be drawn into a coalition, or to merge, with Matchima/Ruam Jai Thai, but contacts there told us this week that they had not decided what to do yet.

THE "FORMER POWER" -
RUMP THAI RAK THAI TAKES OVER THE PEOPLE'S POWER PARTY

¶9. (C) As reported reftel, Thaksin loyalists who stuck with TRT through the court's dissolution decision have moved en masse to the People's Power Party (Pak Palang Prachachon - PPP). PPP's current support has been estimated at about 220

BANGKOK 00004733 003 OF 004

former MPs, while PPP claims to have about 270. (But, at this point, there is no way to confirm these claims. We note that, according to press reports, only 113 party members voted in the election that chose Samak Sundaravej to be party leader last week.) In addition to having a large group of former MPs in the party, PPP is also widely believed to be getting financial support from former PM Thaksin. Press reports and our own contacts indicate that the controversial and combative Samak may not be a very popular choice among all the PPP members, and there are indications that he may not help the party in the Northeast, although he should attract votes in Bangkok, particularly in poorer neighborhoods. Nonetheless, the combination of former MP support and deep pockets give PPP a decided edge in the upcoming elections.

RAK CHART - THE MILITARY PARTY?

¶10. (C) Rumors continue that soldier-turned-businessman Capt. Kachit Habananda will form a political party to serve as a vehicle for former military leaders. So far, however, he seems to have gained little support for Rak Chart ("Love the country"). His first "catch" was controversial retired general Pallop Pinmanee, advisor to Gen Sonthi in the Internal Security Operations Command (ISOC). Pallop announced he would join the party, but shortly after quit in a huff, and declared his intention to set up his own party. No prominent political figures are clearly aligned with Rak Chart yet.

¶11. (C) Thailand has many intelligent and well-spoken political leaders -- politicians like the Democrat's Abhisit Vejjajiva, or former TRT Education minister Chaturon Chaiseng (banned; now with PPP). When the time comes to form a new political party, however, the Thais are inexplicably drawn to an old guard of grizzled political veterans who have long, if unimpressive, resumes. The reappearance of these ancient mediocrities is one of the more depressing elements in the current political landscape. PPP led the way with the election of Samak Sundaravej, a 73-year-old known for his abrasive manner. 73-year-old former TRT member Sanoh Thiengthong, a political operator who left TRT in February 2006 to form his own party (Pracharat) is being courted by some of the factions. And no Thai election would be complete without 76-year-old retired General Chavalit Yongchaiyut, Prime Minister during the Asian financial crisis, and former TRT member. GEN Chavalit, well-known for his large ego and his cryptic way of speaking, also retains a strong base in Isaan. He told the press last week that he wants to be a force for reconciliation, and he is clearly being courted by several factions, including some elements in PPP, and some in the Samanachan/Matchima/Ruam Jai Thai groups. Although he remains popular in the countryside, he would probably be a vote-loser in Bangkok.

¶12. (C) There are a few other names circulating as potential party leaders or celebrity candidates. Junta chief Sonthi Boonyaratglin has not ruled out a political role after his retirement in September. A number of parties might be prepared to take him; Rak Chart is most commonly mentioned. We have heard from two sources that the Matchima/Ruam Jai Thai groups hope to attract Sumet Tantivejkul as leader. Sumet, in his late 60's, is the secretary-general of the royal Chai Pattana Foundation and as such is viewed as close to the King. Under normal circumstances, it would be very unlikely that someone so close to the Palace would enter politics, but desperate times may call for desperate measures.

READING THE TEA LEAVES

¶13. (C) Although some of these parties are not yet even registered, we are already hearing predictions of the outcome of the December vote. While this is more than a little premature, these guesses are worth examining because they may have an influence on decisions made by politicians and the junta over the next few months.

BANGKOK 00004733 004 OF 004

¶14. (C) The new government will be formed by whichever party or coalition can reach 241 seats (of the 480 seat parliament). Thaksin-loyalist PPP is almost universally considered to be the party to beat, and the likely largest vote-winner. Most guesses give them at least 120 seats in the new Parliament, and their own estimate is (naturally) much higher, perhaps close to 200. If the other former TRT factions (Matchima, Ruam Jai Thai, Samanachan) work together, they could well come in second, with over 100 seats. The Democrats could win about the same number, around 100-plus seats. If these estimates are even close to right, then the balance of power is likely to be held by some of the smaller parties, such as Chart Thai (perhaps 30 seats) or Rak Chart (maybe 20 seats) or even Pracharaj (maybe 10 seats). (Chart Thai, which had 25 seats in the 2005 Parliament, is run as a kind of family enterprise by another political dinosaur, 76-year-old former PM Barnharn Silpa-archa, also rumored to be ready for a return engagement as prime minister. Chart Thai is famous for being willing to go into a coalition with anyone.) Of all the parties currently in the mix, it seems like the Democrats, and perhaps Rak Chart, are the only ones

that would not at least consider a coalition with the PPP, if the blandishments were right.

¶15. (C) We note that, while the foreign press tends to anoint Democrat leader Abhisit as the leading contender for PM, most contacts here give him at best an even chance. The Democrat party, which won 96 seats in the 2005 election, does not yet appear to be gaining much from TRT's loss, except perhaps in Bangkok. Abhisit could be a compromise PM chosen by a coalition including Matchima/Ruam Jai Thai/Samanchan, but it would require some older politicians to step aside and allow him to take the post, which would be unusual.

COMMENT

¶16. (C) We emphasize again that all these estimates of party strength are based on the instincts and hunches of various contacts and commentators - it's a long way until December, and many things could change. The view that the Thaksin-loyalist PPP is currently the strongest single party, however, is clearly causing the military, and other Thaksin opponents, to be nervous and unhappy.

BOYCE